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Anadarko 

APRIL KANAK
SENIOR ATTORNEY

August 22, 1997

Department of the Interior
Minerals Management Service
Mail Stop 4700
381 Elden Street
Herndon, Virginia 20170-4817

Attention: Rules Processing Team

Re: Proposed Rulemaking for Oil Spill Financial Responsibility for Offshore
Facilities

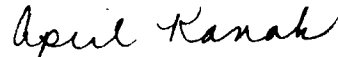
Dear Sir:

Anadarko Petroleum Corporation (Anadarko) welcomes this opportunity to comment on the above referenced proposed rulemaking. Anadarko is a large independent oil company with operations in the Gulf of Mexico. We have the following comments on the proposal:

1. For a facility to be defined as a "Covered Offshore Facility" (COF), it must meet three test requirements—one of which is location of the facility. Although it is clear that locations in territorial seas and OCS waters may be covered, it becomes very unclear near the coastline. The proposed rule states that areas inland which may be affected by tides are included. In our opinion, it would be virtually impossible to determine if facilities falling in the area landward of the coastline would need to be covered. We suggest that the MMS should have a map with a definite line drawn indicating the jurisdictional vs non-jurisdictional area.
2. It is unclear how the MMS would handle a situation where there are two operators working from the same COF or from a single lease. For example, this situation may arise when an agreement is made by one company to utilize a slot from another company's production platform to drill into another lease or to another depth on the same lease. In this case, neither operator should be held responsible for the other's operations. Please clarify how this type of dual situation would be handled. Would both operators be designated applicants responsible for their own operations?

3. If the MMS wants the designated applicant to use the same method of calculating "worse case discharge" as that set forth in the MMS final regulations for Spill Response Plans published in the Federal Register on March 25, 1997, they need to clarify the requirements. We agree that the two definitions and requirements should be consistent but we need further guidance on the proposed method of calculation.
4. We believe the amount of OSFR required for the worst case discharge volumes should be more staggered. For instance, the OSFR coverage jumps from \$35MM to \$75MM for worst case discharges of 35,001 to 70,000 barrels for OCS facilities. We believe there should be more levels in between.
5. It is unclear how often the listing of affected facilities and leases will need to be updated. The list is continually changing with farm-ins/farm-outs, lease sales, etc.

Very truly yours,

A handwritten signature in cursive script that reads "April Kanak".

April Kanak

AK/lb